

State Employee Benefits Advisory Council Meeting
May 10, 2012
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on May 10, 2012 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Brenda Lakeman, OMB, SW Benefits, Director
Pat Griffin, Chair, SEBAC, AOC
Marsha Carson, SEBAC, DOS
Mary Cooke, SEBAC, DOE

Leslie Ramsey, OMB, SW Benefits
Mary Thuresson, OMB, SW Benefits
Judy Anderson, DSEA
Paula Roy, Consultant, State Retiree

Ms. Griffin called the meeting to order at 3:03 p.m. There were introductions around the room.

Approval of Minutes – (handout)

Ms. Griffin asked for a motion for approval of the April 16, 2012 minutes. Ms. Cooke made the motion and Ms. Carson seconded the motion. Upon unanimous voice vote the minutes were approved.

Update of SEBC Activities

Ms. Lakeman reviewed the SEBC agenda for May 10, 2012. The Director's Report will include an update on Open Enrollment. It will be reported that the employee phone calls have been steady. Most of the questions have been about coordination of benefits and double state share.

The March and April Fund Equity will be reviewed. The balance as of the end of April was \$42.2M, which is a decrease of about \$10M. At the April SEBC meeting they reviewed the February Fund balance which was \$51.5M. The actual decrease of \$10.4M was due to a few things. There were three Medco invoices which accounts for \$6M of the \$10M and the rest was due to a slight increase in the Blue Cross claims from January through March. Higher costs are normal at that time of year. These numbers will be monitored. There were no Medicare Part D subsidy payments or large prescription rebate payments in April. Next month there will be a \$1.3M Medicare Part D subsidy payment. There should also be a \$5M prescription rebate by the end of the fiscal year.

Renewal of the Minnesota Life GUL coverage will again be discussed at SEBC. The questions regarding the 100 percent portability issue continue to be researched. In April a three year renewal with Minnesota Life was proposed with the rate going down 6.5 percent. They would also remain with the 50 percent porting option for employees when they retire.

There was a brief discussion about a quoted rate which Ms. Griffin was given over the phone by Minnesota Life that was different than the rate the state had through its plan.

At SEBC there will be further discussion about what the rates would do if the amount of coverage was changed to 100 percent for ported employees upon retirement. She cautioned that if the 100 percent was put in place for the ported group there would be a 3.1 percent increase in rates. There will be increasing numbers of retirees and that would mean twice as many claims. Actives would remain about the same in numbers. Over time it would become off balance.

Ms. Lakeman stated a one year renewal of the contract would not allow an open enrollment. A two year renewal would allow for an open enrollment and boost the numbers enrolled. This will be discussed.

All insurance companies have to provide a conversion at retirement and rates will have to be compared. Minnesota Life provides coverage for 16 states. Only one lets their retirees port 100 percent of their coverage upon retirement and their rates are 40 percent higher and their coverage caps at \$25,000. Delaware has a generous plan with 50 percent portability at retirement while paying active rates. Ms. Lakeman advised a bid may be necessary in 2014.

Concerning the premium waiver coverage for disability, the SEBC agreed to go with option 1 which was coverage for this group without premium payment. At the next SEBC meeting they will have more information about options and make their decision then.

SEBAC Comments to SEBC

After review of the Minnesota Life GUL recommendations and changes presented at the April 17th SEBC meeting, the SEBAC confirmed their support for them. Ms. Cooke will attend and present the comments to the SEBC for Ms. Griffin, SEBAC Chair, on May 18th.

SEBAC members were asked what feedback they've had from employees. It seems that people complain more about double state share than portability of their life insurance. Employees don't understand House Bill 81. Department of Education has held employee information briefings to answer employee questions. Frequently asked questions are about the increases in plan rates, age 21 to 26 rules and how the CDH plans work.

One member informed that a DRSPA member asked if they would display a poster for them in their agency. That person also made comments that people should retire before July 1 because of changes that were being made to retirees' benefits that would cost more. There is a misconception on their part.

The question arose as to why the benefit booklet cannot be copied from the website. It is for security reasons so no changes can be made to it.

Public Comment

None.

Other Business

None.

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Ms. Griffin asked for a motion to adjourn. Ms. Carson made the motion and Ms. Cooke seconded the motion. Upon a unanimous verbal approval the meeting adjourned at 3:43 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist
Statewide Benefits Office, OMB